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Mexico

Solid Wood Products Cancellation of PROY-NOM-EM-014-RECNAT-2001 2004

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Report Highlights:

On March 19, 2004, the Secretariat of Environment and Natural Resources (SEMARNAT) published in the "Diario Oficial" (Mexico's Federal Register) the cancellation of PROY-NOM-EM-014-RECNAT-2001, which was a proposed NOM establishing the sanitary regulations for the importation of pallets, pallet-crates, other cargo platforms, and various new and used wooden containers; this proposed NOM-014 had first been published on January 30, 2002, but industry has found some of its provisions unacceptable. Its cancellation leaves in effect NOM-EM-144-SEMARNAT-2003 – an emergency regulation outlining the guidelines that will affect solid wood products used as packaging material in international trade. Despite its emergency nature, NOM-144 is only being partially implemented at present and is expected to not adversely impact U.S. trade in wood packing materials.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Mexico [MX1] **Introduction:** This report summarizes an official announcement published in Mexico's "Diario Oficial" (Federal Register) on March 19, 2004.

Disclaimer: This summary is based on a *cursory* review of the subject announcements and therefore should not, under any circumstances, be viewed as a definitive reading of the regulations in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulations or announcements as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: On March 19, 2004, the Secretariat of Environment and Natural Resources (SEMARNAT) published in the "Diario Oficial" (Mexico's Federal Register) the cancellation of PROY-NOM-EM-014-RECNAT-2001 -- a proposed NOM which had established the sanitary regulations for the importation of pallets, pallet-crates, other cargo platforms, and various new and used wooden containers. NOM-014 had first been published on January 30, 2002, but, according to industry, some of its provisions were unacceptable. It is thought that NOM-014's cancellation is due to the controversy over some of its provisions and to the GOM's intent to eventually fully implement NOM-144.

The cancellation of NOM-014 leaves in effect NOM-144, an emergency regulation outlining the guidelines that will affect solid wood products used as packaging material in international trade (see MX4502). NOM-144 is Mexico's emergency implementation of an International Plant Protection Convention (IPPC) standard, which is also being implemented by Canada and the United States. As members of the North American Plant Protection Organization (NAPPO), all three countries agreed to implement this IPPC standard in a harmonized manner, but all three countries have different timetables for full implementation. Mexico's current implementation of NOM-144 is a partial one, consisting only of visual inspections; it is not enforcing any type of regulation on imported pallets. Thus, there is not expected to be an adverse impact on U.S. imports of wood pallets.

NOM-144 was published in the *Diario Oficial* on November 26, 2003 in preparation for Mexico's implementation of IPPC regulation ISPM 15 entitled "Guidelines for Regulating Wood Packaging Material in International Trade" – a regulation recognizing the risk to plant health associated with solid wood products used as packaging material in international trade; it also outlines the phytosanitary measures needed to reduce the risk of introduction/dissemination of quarantine pests. However, NOM-144 is far from being fully implemented as the Government of Mexico (GOM) is still outlining strategies to comply with it. Currently, criteria under NOM-EM-144 are only applied to wood packing material for export, since Mexico is not confident that its domestic industry is in full compliance with ISPM 15. Once this sector complies with the requirements of this regulation, the GOM will then require other countries exporting to Mexico to comply with equivalent measures for wood packaging materials.

NOM-144 is an emergency regulation which is in effect for a period of six months, after which it can be renewed for an additional six months. It is unclear at this point, given Mexican industry's present inability to comply with this NOM, if, after its expiration, SEMARNAT will then propose it as a non-emergency NOM.

Important Dates:

1. Publication & Effective Date: March 19, 2004.

FAS Comment: Official sources indicated that Mexico would implement NOM-EM-144 as a final rule in the medium- to long-term and would, at that point, consider the coverage of key factors, like Thermal Treatment (TT), Worldwide Approved Treatment Identity Mark and alternative phytosanitary measures (e.g., fumigation). Currently, the GOM is not enforcing

any type of regulation on imported pallets or any other wood packing material, except the visual inspections at crossing points in compliance with the established Environment Protection Federal Agency's (PROFEPA) directives. Impact to U.S. trade, both at present and in the future, is expected to be insignificant.

Useful information:

International Plant Protection Convention (IPPC): The IPPC is a multilateral treaty under the United Nations Food and Agriculture Organization (FAO); the treaty seeks to prevent the spread and introduction of plant pests through the adoption of a common approach by members. The United States, Canada and Mexico and 128 other countries are contracting parties to the IPPC. (http://www.ippc.int/IPP/En/default.htm).

North American Plant Protection Organization (NAPPO): http://www.nappo.org Implementation of ISPM No. 15 on Wood Packing Materials in NAPPO countries: http://www.nappo.org/Standards/Woodpacking-bil.htm

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FAS Mexico Web Site: We are available at http://www.fas-la.org/mexico or visit FAS headquarters' home page at http://www.fas.usda.gov for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Secretariat of the Environment and Natural Resources web site can be found at www.semarnat.gob.mx. This web site is mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained therein.